

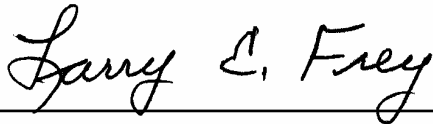
**UNITED STATES DEPARTMENT OF AGRICULTURE**  
Farm Service Agency Oregon State Office  
7620 S.W. Mohawk Street  
Tualatin, OR 97062-8121

**For:** County Offices

**Processing Direct and Subordination Requests For Farm Loan Programs**

**Approved By:** State Executive Director

LEF:LEV:rbp



**1 Overview**

**A Background**

Processing direct loan and subordination requests for Farm Loan Programs requires the submittal and completion of numerous forms, verifications, and other written documentation. The current checklists to Oregon Notice FLP-106 are obsolete.

**B Purpose**

This notice:

- Provides and requires revised Direct Loan Processing Guide in Exhibit 1.
- Provides and requires revised Low-Documentation OL Loan Processing Guide in Exhibit 2.
- Provides and requires revised Subordination Processing Guide in Exhibit 3.
- Provides a worksheet for Direct Operating Loan lifetime eligibility in Exhibit 4.
- Provides a worksheet for Direct Farm Ownership Loan lifetime eligibility in Exhibit 5.
- Provides a sample attachment to Form FmHA 1940-22, "Environmental Checklist For Categorical Exclusions," to document environmental justice in Exhibit 6.
- Requires submittals for State Office approval through the District Director.

**FILING: Preceding FmHA Instruction 1910-A**

Disposal	Distribution
October 1, 2004 10-8-03	STO, DD, COR, COC, COF - Including Farm Loan Programs <b>Page 1</b>

**2 Action**

**A Use of Guides**

Use Exhibits 1, 2, or 3 as the processing guides for direct Farm Loan Programs loan requests, Low-Documentation Operating loan requests, and subordination requests. During active processing, the guides shall be maintained as the most recently filed document in position three of the applicant's case file. Notation of the date as well as the employee's initials shall be entered on the guide as completed. Once the direct credit or subordination request has been fully concluded, the checklist shall remain a part of the case file.

Use Exhibit 4 to determine lifetime eligibility for direct Operating loan requests. Once completed, the worksheet shall be maintained in position three of the applicant's case file below the processing guide.

Use Exhibit 5 to determine lifetime eligibility for direct farm Ownership loan requests. Once completed the worksheet shall be maintained in position three of the applicant's case file below the processing guide.

Exhibit 6 provides a sample attachment to Form FmHA 1940-22, "Environmental Checklist For Categorical Exclusions," to document compliance with environmental justice as required by Notice EQ-110 and Executive Order 12898.

**B State Office Referrals**

When direct and guaranteed loan and subordination requests must be forwarded to the State Office for approval, dockets shall be forwarded through the respective Farm Loan Manager to the District Director for review. Reviews shall be conducted, at a minimum, in accordance with the most current National Internal Review (NIR) guide and program requirements. Completed review sheets shall be filed in position three of the loan or subordination docket. Any questions or concerns regarding repayment capacity or collateral should be resolved before forwarding to the State Office for consideration.

**C Contact**

Direct questions regarding this notice to Peter Halvorson, Robert Perry, or Lynn Voigt in the State Office.

## Direct Loan Processing Guide

NAME OF APPLICANT		TYPE OF OPERATION	
CASE NUMBER		REMAINING YRS OF ELIGIBILITY	PRIORITY CONSIDERATION <input type="checkbox"/> <input checked="" type="checkbox"/> If YES
BEGINNING FARMER <input type="checkbox"/> Yes <input type="checkbox"/> No	SDA APPLICANT <input type="checkbox"/> SDA-Ethnic <input type="checkbox"/> SDA-Gender <input type="checkbox"/> No		ALSO INVOLVES <input type="checkbox"/> DALRS <input type="checkbox"/> Guarantee <input type="checkbox"/> Transfer <input type="checkbox"/> Subordination
TOTAL LOANS REQUESTED \$ _____ OL    \$ _____ Subordination    \$ _____ FO    \$ _____ EM			
<b>LOAN SUMMARY</b>			
LOAN TYPE	ASSISTANCE CODE		INITIAL OR SUBSEQUENT <input type="checkbox"/> <input type="checkbox"/>
LOAN AMOUNT		INTEREST RATE	TERMS IN YEARS
		AMOUNT OF IMMEDIATE ADVANCE	
		DISBURSEMENT BY: <input type="checkbox"/> EFT <input type="checkbox"/> Check	
PAYMENT SCHEDULED FOR PROPOSED LOAN  <div style="display: flex; justify-content: space-between;"> <div>           \$ _____ on _____            \$ _____ on _____            \$ _____ on _____            \$ _____ on _____         </div> <div>           \$ _____ on _____            \$ _____ on _____            \$ _____ on _____            and \$ _____ Due _____ Thereafter         </div> </div>			
APPROVAL AUTHORITY: _____ Unpaid Principal Balance: \$ _____ FLO, CED, FLM, DD, SED (Circle One)      Amount of new Loan: \$ _____ Total: \$ _____			
<b>LOAN SUMMARY - CONCURRENT LOAN</b>			
LOAN TYPE	ASSISTANCE CODE		INITIAL OR SUBSEQUENT <input type="checkbox"/> <input type="checkbox"/>
LOAN AMOUNT		INTEREST RATE	TERMS IN YEARS
		AMOUNT OF IMMEDIATE ADVANCE	
PAYMENT SCHEDULE FOR PROPOSED LOAN  <div style="display: flex; justify-content: space-between;"> <div>           \$ _____ on _____            \$ _____ on _____            \$ _____ on _____            \$ _____ on _____         </div> <div>           \$ _____ on _____            \$ _____ on _____            \$ _____ on _____            and \$ _____ Due _____ Thereafter         </div> </div>			
APPROVAL AUTHORITY: _____ Unpaid Principal Balance: \$ _____ FLO, CED, FLM, DD, SED (Circle One)      Amount of new Loan: \$ _____ Total: \$ _____			
LOAN(S) PURPOSES: _____			
TEST FOR OTHER CREDIT: REPAYMENT MARGIN _____ %    ADDRESSED IN (✓ BOXES): <input type="checkbox"/> ASSESSMENT <input type="checkbox"/> EXHIBIT A - 1951-F <input type="checkbox"/> FORM FSA 1940-38 (EM) <input type="checkbox"/> REJECTION LETTERS			
TYPE OF LIEN SEARCH TO BE DONE (i.e. UCC, EFS, ASL, County Records, Title Report, Business Registry Search, etc.): _____			
SEARCHES TO BE DONE ON THE FOLLOWING NAMES (include individuals, assumed business names, corporation, partnership, LLC, Trust, etc.) _____			

SECURITY CONSIDERATIONS					
SECURITY TO BE TAKEN	LIEN POSITION	PRIMARY SECURITY	ADDITIONAL SECURITY		
<input type="checkbox"/> Crops					
<input type="checkbox"/> Livestock					
<input type="checkbox"/> Equipment					
<input type="checkbox"/> Real Estate					
<input type="checkbox"/> Other:					
VALUE OF SECURITY					
TYPE OF SECURITY	APPRAISAL DATE	CLASSIFICATION ➤ LOAN VALUE ◀	PRIOR DEBT (INC. FSA'S)	PROPOSED FSA, OTHER DEBT	EQUITY
Chattels					
Real Estate					
Crops, Lvst On Hand					
Crops, Lvst Projected					
Chattels Acquired					
Other					
TOTAL					
<b>IS SECURITY ADEQUATE(?)</b> <input type="checkbox"/> YES <input type="checkbox"/> NO <b>LOAN TO VALUE CALCULATIONS:</b> $[\text{LOAN VALUE} \div (\text{TOTAL EXISTING DEBT} + \text{PROPOSED LOAN})] \times 100$ <div style="text-align: center;">150% RULE FOR D-OLs IS MET <input type="checkbox"/>      NOT MET <input type="checkbox"/></div>					
<b>UCC/EFS:</b> List Security that is to be excluded on UCC/EFS-1 or the Amendment from standard language: <div style="border-bottom: 1px solid black; height: 1.2em; width: 100%;"></div>					
<b>CROPS TO BE LISTED ON EFS:</b> _____ <b>COUNTIES TO BE LISTED ON EFS:</b> _____					
<input type="checkbox"/> <b>WRITTEN FARM ASSESSMENT ATTACHED INCLUDING:</b> 1. Type of operation, 2. Goals, 3. Real estate and facilities, 4. Chattel property, 5. Farm business organization & key personnel, 6. Historical performance & financial data (including recordkeeping), 7. Projected budget, 8. Planned changes, 9. Ability to obtain guaranteed credit, and 10. Supervision and training.					
<input type="checkbox"/> <b>PROPOSED LOAN CLOSING REQUIREMENTS COMPLETED IN PART IV</b>					
RECOMMEND BY: _____ DATE: _____ APPROVAL OFFICIAL'S COMMENTS: _____ _____ <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <span><input type="checkbox"/> Approved</span> <span><input type="checkbox"/> Rejected</span> <span><input type="checkbox"/> Proposed closing requirements reviewed &amp; completed in Part IV</span> </div>					
APPROVAL OFFICIAL'S SIGNATURE: _____ DATE: _____					

## FARM LOAN PROGRAMS - DIRECT LOANS

APPLICANT'S NAME: \_\_\_\_\_

**PART II ITEMS REQUIRED FROM APPLICANTS FOR A COMPLETE APPLICATION**

Date By (Required for Chattel or Real Estate Loan, indicated by CH or R)  
 Received Whom

- \_\_\_\_\_ CH,R (1) Written request for priority consideration from prevailing claimant under Consent Decree. (Date received).
- \_\_\_\_\_ CH,R (2) Exhibit A to 1910-A, Letter requesting information needed for a complete Farm Loan Program application. (Date sent to applicant).
- \_\_\_\_\_ CH,R (3) Form FSA 410-1, "Request For Direct Loan Assistance."
- \_\_\_\_\_ CH,R (4) If the application is from an entity (corporation, cooperative, partnership, joint operation, LLC, or trust):
- \_\_\_\_\_ CH,R (A) Complete list of all entity members including all persons involved in the entity showing address and percentage of co-ownership or beneficial interest.
- \_\_\_\_\_ CH,R (B) A current personal financial statement from each person involved in the entity.
- \_\_\_\_\_ CH,R (C) Bylaws, Articles of Incorporation, Partnership Agreement, Joint Operating Agreement, Operating Agreement, Trust Agreement, or Certification of Trust.
- \_\_\_\_\_ CH,R (D) If a corporation, registered partnership, or LLC, "Certificate of Current Registration" (Goodstanding) with Secretary of State's Office or equivalent copy of an internet business registry search.
- \_\_\_\_\_ CH,R (E) A resolution adopted by the board of directors, members, or stockholders authorizing specific officers of the corporation, cooperative, partnership, joint operation, or LLC managers to apply for, obtain the desired loan, and execute the required debt, security and other instruments.
- \_\_\_\_\_ CH,R (5) Evidence of inability to obtain conventional credit.
- \_\_\_\_\_ CH,R (6) Copies of the last five year's income tax records from the applicant.
- \_\_\_\_\_ CH,R (7) Copies of the last five year's financial statements.
- \_\_\_\_\_ CH,R (8) Copies of the last five year's production information.
- \_\_\_\_\_ CH,R (9) A brief narrative of the applicant's farm training and/or experience and background of the individual members, if an entity applicant. (NEW Applicants Only).

- \_\_\_\_\_ CH,R (10) A brief narrative describing the proposed operation, size, and financial needs of the proposed operation. (NEW Applicants Only)
- \_\_\_\_\_ CH,R (11) Form RD 1910-5, "Request for Verification of Employment," if applicant employed.
- \_\_\_\_\_ CH,R (12) Form FmHA 431-4, "Business Analysis NonAgricultural Enterprise," for nonfarm income.
- \_\_\_\_\_ CH,R (13) A projection of income, expenses, and debt repayment on Form FSA 431-2, "Farm and Home Plan."
- \_\_\_\_\_ CH,R (14) Monthly cash flow statement for annual operating loans and others as needed based on the current Farm and Home Plan.
- \_\_\_\_\_ CH,R (15) Form FSA 440-32, "Verification of Debts and Assets," for all debt other than FSA. Forms must have complete addresses of creditors and be signed by the applicant. Applicant's account numbers should also be listed on the form. Required for all debts of more than \$1,000.
- \_\_\_\_\_ CH,R (16) Verification of receivables and crops on hand including warehouse receipts.
- \_\_\_\_\_ CH,R (17) If real estate is to be taken as security, a copy of the deed(s) containing the legal description of real property.
- \_\_\_\_\_ CH,R (18) If leased land is part of the operation, a copy of all leases. If there is no lease available, the terms of the lease should be documented and signed by the borrower.
- \_\_\_\_\_ R (19) Earnest money agreement for proposed farm purchase.
- \_\_\_\_\_ CH,R (20) Form AD 1026A, attached to either Form AD 1026 or AD 1026-U and completed by FSA. Required only if changes have occurred on prior year's AD 1026 and 1026-U.
- \_\_\_\_\_ CH,R (21) Form SCS-CPA-26, "Highly Erodible Land and Wetland Conservation Determination," completed by NRCS for HEL and wetlands referrals required by Form AD 1026A.
- Location of SCS-CPA026:\_\_\_\_\_ Borrower Case File:\_\_\_\_\_ Tract File:\_\_\_\_\_
- \_\_\_\_\_ CH,R (22) List of credit references with complete addresses and account numbers (required for New Applicants).
- \_\_\_\_\_ CH,R (23) "Authorization to Release Information," Exhibit 1 to Oregon Notice FLP-47, unless on file.
- \_\_\_\_\_ CH,R (24) Provide a credit report fee of \$\_\_\_\_\_ payable to FSA. (Required for new applicants).
- \_\_\_\_\_ CH,R (25) Evidence of CAT insurance or waiver for insurable crops.

- \_\_\_\_\_ CH,R (26) Form FSA 1940-38, "Request For Lender's Verification of Loan Application," (EM ONLY).
- \_\_\_\_\_ CH,R (27) Form FSA 1945-22, "Certification of Disaster Loss." (EM ONLY)
- \_\_\_\_\_ CH,R (28) Evidence of at least minimum insurance coverage on property (not crops) when physical loss loans are sought (EM ONLY).
- \_\_\_\_\_ CH,R (29) Form FmHA 1924-1, "Development Plan," drawings, and specifications if development is proposed.
- \_\_\_\_\_ CH,R (30) Form FmHA 1924-27, "Request For Waiver Of Borrower Training Requirements," (if waiver requested).
- \_\_\_\_\_ CH,R (31) Form SF 3881, "ACH Vendor/Miscellaneous Payment Enrollment Form," voided check or SF-1199A, "Direct Deposit Sign-up Form," if already on file for electronic funds transfer disbursements.
- \_\_\_\_\_ CH,R (32) Form CCC-10 or FSA 1941-1 OR for everyone executing the promissory note and for those having an ownership interest in the chattel security that have not signed Form FSA 410-1 with a revision date of 9-14-01 or later.

After receipt of **ALL** completed forms and information required of the applicant, and when Forms FmHA 440-32, "Statement of Debts and Collateral," are received from creditors and the credit report is received from the credit bureau, the application will be considered complete. The FSA approval or disapproval must be given within 60 days of this date.

### **PART III FSA ACTION AFTER RECEIPT OF FORM FSA 410-1**

By \_\_\_\_\_ (Required for Chattel or Real Estate Loan, indicated by CH, or R.)  
Date Whom

- \_\_\_\_\_ CH,R (1) When Form FSA 410-1 is received, post the application to the application card (1905-4) and complete Item 28 Form FSA 410-1 and enter in MAC.
- \_\_\_\_\_ CH,R (2) Review ADPS civil rights database for listing & entitlement when priority consideration requested. Place copy of screen in applicant's file, Position 3.
- \_\_\_\_\_ CH,R (3) Check Item 21 of Form FSA 410-1 for identified relationship or association with FSA employees. For those identified sent Guide Letter 1900-D-2.
- \_\_\_\_\_ CH,R (4) Update SCIMS for the applicant, all co-applicants, and all members of an entity applicant (if applicable). Update name and address flag with a "Y" for FLP.
- \_\_\_\_\_ CH,R (5) Review the FSA computer databases to determine any previous debt forgiveness, past FSA loan history, and credit worthiness. Place copies of screens in applicant's file, Position 3. (Required for new applicants). Include the following:
- \_\_\_\_\_ Current/past debt inquiry system
- \_\_\_\_\_ Borrowers cross-reference inquiry system
- \_\_\_\_\_ Farm Programs claims report

- \_\_\_\_\_ CH,R (6) Cross-check FSA records to verify DCP, LDP, MILC, and other FSA payments.
- \_\_\_\_\_ CH,R (7) CAIVRS report order for applicant(s) and all individual members of entities.
- \_\_\_\_\_ CH,R (8) If all of the required application forms have NOT been received, send FmHA Guide Letter 1910-A-1 (20 day letter) to the applicant and request forms and information needed within 10 days after receipt of an application.
- \_\_\_\_\_ CH,R (9) If the necessary information is not received from the applicant within 20 calendar days after the date of the first notification of an incomplete application, send FmHA Guide Letter 1910-A-2 (10 day letter) (copy to DD) requesting the needed information for a complete application.
- \_\_\_\_\_ CH (10) Obtain unofficial lien search on applicant, assumed business names, etc.
- \_\_\_\_\_ CH,R(11) Obtain unofficial business registry search on assumed business names, entities, etc
- \_\_\_\_\_ CH,R(12) Mail Form FSA 440-32, "Statement of Debts and Assets," to other creditors. Form FSA 440-32 is not required to be sent to a creditor when FSA has verified the debt and collateral by telephone and the phone call is documented on Form FSA 440-32. Nor are they required when the applicant provides a copy of the latest monthly statement from the creditor and all necessary information is on that statement.

(Optional Tracking)  
Creditor Name

Date Form FSA 440-32 Returned

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

- \_\_\_\_\_ CH,R (13) Order credit report (required for new applicants or in conjunction with 1951-S servicing request).
- \_\_\_\_\_ CH,R (14) Credit report received, if ordered.
- \_\_\_\_\_ CH,R (15) CAIVRS report received. Place report(s) in Position 3 of the case file.
- \_\_\_\_\_ CH,R (16) Input required information on the EFT database system for electronic disbursements unless waived by credit official. Post WLS 1007 to MAC.
- \_\_\_\_\_ CH,R (17) 14-day PreNote Status check for EFT disbursements.



**PART IV FSA ACTIONS AFTER RECEIPT OF COMPLETED APPLICATION**

After receipt of ALL completed forms and information required of the applicant and when Forms FmHA 440-32, "Statement of Debts and Collateral," are received from creditors and the credit report is received from the credit bureau, the application will be considered complete. FSA approval or disapproval must be given within 60 days of this date.

By \_\_\_\_\_ (Required for Chattel or Real Estate Loan, indicated by CH, or R)  
 Date \_\_\_\_\_ Whom \_\_\_\_\_

\_\_\_\_\_ CH,R (1) Document here the date of complete application, post this date into MAC, and complete Item 28 B of Form FSA 410-1. This is the date the last required document is received including the verification of all debts.

DATE OF COMPLETE APPLICATION: \_\_\_\_\_

\_\_\_\_\_ CH,R (2) Notify the applicant that a complete application has been received by sending FmHA Guide Letter 1910-A-3.

\_\_\_\_\_ CH,R (3) Credit official to complete eligibility certification and borrower training requirements on Form FSA 440-2, "Eligibility Certification or Recommendation," within 30 days of a complete application.

\_\_\_\_\_ CH,R (4) Within 5 days after the eligibility determination, notify the applicant of the eligibility determination and training requirements.

\_\_\_\_\_ CH,R (5) Schedule a meeting with the applicant prior to issuing a rejection letter based on credit worthiness, pursuant to FmHA Instruction 1910-A, Section 1910.6(b)(4).

\_\_\_\_\_ CH,R (6) Form FSA 1945-26, "Calculations of Actual Losses," (**EM ONLY**).

\_\_\_\_\_ CH (7) Date of Last Field Visit (one must have been done within the last year): \_\_\_\_\_

\_\_\_\_\_ CH (8) For Chattel loans: If debts are to be refinanced or if an initial applicant or if existing appraisal exceeds 2 years, prepare Form FmHA 440-21, "Chattel Appraisal."

\_\_\_\_\_ Post WLS 4061 for contracted chattel appraisal to MAC.

\_\_\_\_\_ Post WLS 4060 for appraisal completed by FSA to MAC.

\_\_\_\_\_ CH,R (9) Complete 5 year historical spreadsheet (Form FmHA-OR 1924-21, "Historical Income, Expenses, and Production," or equivalent). Required.

\_\_\_\_\_ R (10) For real estate secured loans with real estate as primary security, order a real estate appraisal.

\_\_\_\_\_ R (11) Real estate appraisal report received.

\_\_\_\_\_ Post WLS 5002 for contracted RE appraisal to MAC.

\_\_\_\_\_ Post WLS 4062 for appraisal completed by FSA to MAC.

## Exhibit 1

## Oregon Notice FLP-137

### Exhibit 1

- \_\_\_\_\_ CH,R (26) If highly erodible lands and wetlands are present, send Guide Letter 1940-G-1 to applicant with Form FmHA 1940-1.
- \_\_\_\_\_ CH,R (27) If loan funds are not available within 15 days of loan approval, write a letter to the applicant explaining the situation, advising that the application will be held until the funds are available. This letter must be sent by certified mail, return receipt.
- \_\_\_\_\_ CH,R (28) Complete Form FSA 1924-23, "Agreement To Complete Training," if form not previously completed or waiver granted.
- \_\_\_\_\_ CH,R (29) Complete Form FSA 580, "Primary Loan Servicing Checklist," if primary loan servicing is involved.
- \_\_\_\_\_ CH,R (30) Complete proforma classification and print summary page for case file.

**CLOSING REQUIREMENTS**

Date      Check if  
Obtained   Required

- \_\_\_\_\_ ( ) UCC-1 and EFS-1 (Secretary of State)  
 \_\_\_\_\_ ( ) Financing Statement (fixtures) UCC-1 (County)  
 \_\_\_\_\_ ( ) Financing Statement (fixtures) UCC-1 (Secretary of State)  
 \_\_\_\_\_ ( ) UCC and EFS Lien Search (Secretary of State) required if a lien search is not currently in the file, or any time that crops are added.  
 \_\_\_\_\_ ( ) Amend or Continue Financing Statement (Secretary of State)  
 \_\_\_\_\_ ( ) Amend or Continue Financing Statement (County)  
 \_\_\_\_\_ ( ) Crop Insurance/Assignment of Indemnity  
 \_\_\_\_\_ ( ) Update EFT database for electronic funds transfer  
 \_\_\_\_\_ ( ) Supervised Bank Account: Form RD 402-1, "Deposit Agreement," Signature Card, Blank Check Booklet, Deposit Slip and Check, RD FmHA 402-2, "Supervised Bank Account Sheet" (1902- A). Name of Bank \_\_\_\_\_  
 \_\_\_\_\_ ( ) Obtain Title to Vehicles, Trailers Specify: \_\_\_\_\_  
 \_\_\_\_\_ ( ) FSA Assignment Specify: \_\_\_\_DCP\_\_\_\_CRP\_\_\_\_MILC\_\_\_\_LDP\_\_\_\_Other; Post to MAC  
 \_\_\_\_\_ ( ) Obtain Brand Card for File  
 \_\_\_\_\_ ( ) Brand Certificate, Bill of Sale  
 \_\_\_\_\_ ( ) Machinery Bill of Sale  
 \_\_\_\_\_ ( ) Restructuring, Reamortization and Extension Agreement  
 \_\_\_\_\_ ( ) Preliminary Title Report  
 \_\_\_\_\_ ( ) Insurance: Fire and extended coverage ( ) Flood ( ) Chattels ( ) Other ( )  
 \_\_\_\_\_ ( ) Title Insurance (mortgagees policy)  
 \_\_\_\_\_ ( ) Form FmHA 426-2, "Property Insurance Mortgage Clause," or equivalent loss clause  
 \_\_\_\_\_ ( ) Form FSA 440-13, "Report of Lien Search" (County)  
 \_\_\_\_\_ ( ) Form FSA 440-4A, "Security Agreement." Post to MAC  
 \_\_\_\_\_ ( ) Form RD 440-15, "Security Agreement" (if no crops or livestock)  
 \_\_\_\_\_ ( ) Form FSA 441-5, "Subordination Agreement" if required from other lienholders to FSA  
 \_\_\_\_\_ ( ) Form FmHA 441-8, "Assignment of Proceeds from the Sale of Agricultural Products"  
 \_\_\_\_\_ ( ) Form FmHA 441-10, "Nondisturbance Agreement"  
 \_\_\_\_\_ ( ) Form FmHA 441-12, "Agreement for Disposition of Jointly Owned Property"  
 \_\_\_\_\_ ( ) Form FSA 441-18 "Consent to Payment of Proceeds from Sale of Agricultural Products"  
 \_\_\_\_\_ ( ) Form RD 441-25, "Dairy Assignment"  
                     Who Assignment to: \_\_\_\_\_  
                     Amount of Assignment: \$ \_\_\_\_\_  
 \_\_\_\_\_ ( ) Form FmHA 460-9, "Assumption Agreement – Same Terms Eligible Transferee"  
 \_\_\_\_\_ ( ) Form FmHA 1927-1 OR, "Real Estate Mortgage" (on all real property and fixtures); post to MAC  
 \_\_\_\_\_ ( ) Form RD 1927-4, "Transmittal of Title Information"  
 \_\_\_\_\_ ( ) Form RD 1927-5, "Affidavit Regarding Work of Improvement"  
 \_\_\_\_\_ ( ) Form FSA-OR 1927-5, "Subordination Agreement in Favor of the Government"  
 \_\_\_\_\_ ( ) Form FSA-OR 1927-8, "Contract Modification"  
 \_\_\_\_\_ ( ) Form RD 1927-15, "Loan Closing Instructions/Loan Closing Statement"  
 \_\_\_\_\_ ( ) Form FSA 1940-17, "Promissory Note"  
 \_\_\_\_\_ ( ) Form FmHA 1965-13, "Assumption Agreement – Farmer Program Loans"  
 \_\_\_\_\_ ( ) Form FS 220-13, "Escrow Waiver of Term Grazing Privileges" (Forest Service permits)  
 \_\_\_\_\_ ( ) BLM Notice of Lienholders Interest (BLM permit)

**OTHER FORMS THAT MAY BE REQUIRED**

- \_\_\_\_\_ ( ) Form RD 440-9, "Supplementary Payment Agreement"  
 \_\_\_\_\_ ( ) Form FmHA 440-26, "Consent and Subordination Agreement"  
 \_\_\_\_\_ ( ) Form FSA 440-34, "Option to Purchase Real Property"  
 \_\_\_\_\_ ( ) Form FSA 440-35, "Acceptance of Option"  
 \_\_\_\_\_ ( ) Form FmHA 440-58, "Estimate of Settlement Costs"  
 \_\_\_\_\_ ( ) Form FSA 441-10, "Nondisturbance Agreement"  
 \_\_\_\_\_ ( ) Form FSA 441-13, "Division of Income and Nondisturbance Agreement"  
 \_\_\_\_\_ ( ) Form FSA 441-17, "Certification of Obligation to Landlord"  
 \_\_\_\_\_ ( ) Form FSA 441-18 "Consent to Payment of Proceeds from Sale of Agricultural Products"  
 \_\_\_\_\_ ( ) Form FmHA 443-16, "Assignment of Income from Real Estate Security"  
 \_\_\_\_\_ ( ) Form FmHA 443-17, "Agreement to Sell Nonessential Real Estate"  
 \_\_\_\_\_ ( ) Form RD 1924-2, "Description of Materials"  
 \_\_\_\_\_ ( ) Form FmHA 1924-3, "Service Building Specifications"  
 \_\_\_\_\_ ( ) Form FmHA 1940-21, "Environmental Assessment for Class I Action"  
 \_\_\_\_\_ ( ) Form FmHA 1940-51, "Crop-Share-Cash-Farm Lease"  
 \_\_\_\_\_ ( ) Form FmHA 1940-53, "Cash Farm Lease"  
 \_\_\_\_\_ ( ) Form FmHA 1940-55, "Livestock-Share Farm Lease"  
 \_\_\_\_\_ ( ) Form FSA 1940-56, "Annual Supplement to Farm Lease"  
 \_\_\_\_\_ ( ) Form FmHA 1940-59, "Settlement Statement"  
 \_\_\_\_\_ ( ) \_\_\_\_\_  
 \_\_\_\_\_ ( ) \_\_\_\_\_  
 \_\_\_\_\_ ( ) \_\_\_\_\_

**FOLLOW UP AFTER CLOSING**

Date By  
Completed Whom

- \_\_\_\_\_ \_\_\_\_\_ Post to Applicant Card (Closed) & Management System Card  
 \_\_\_\_\_ \_\_\_\_\_ Post and update MAC workload scheduling including follow-ups for analysis, LR reviews, UCC/EFS continuations, field visits, etc.  
 \_\_\_\_\_ \_\_\_\_\_ Post to MAC from the supervision section of the Farm Assessment, Tables C & K of Farm & Home Plan, and the Running Record  
 \_\_\_\_\_ \_\_\_\_\_ Post Installment Information to MAC & management system card  
 \_\_\_\_\_ \_\_\_\_\_ Post to MAC for appraisals and reviews completed  
 \_\_\_\_\_ \_\_\_\_\_ Follow up to obtain copies of termination statements  
 \_\_\_\_\_ \_\_\_\_\_ Follow up of Return of Vehicle Titles from DMV or Lienholders  
 \_\_\_\_\_ \_\_\_\_\_ Post MAC with 10 month follow up for new 1962-1 & management system card  
 \_\_\_\_\_ \_\_\_\_\_ Input 8M ADPS transaction (Limited Resource Review)  
 \_\_\_\_\_ \_\_\_\_\_ Complete Form FmHA 2006-20, "Classification of Loan" & input 8N ADPS transaction; post WLS 4001 to MAC  
 \_\_\_\_\_ \_\_\_\_\_ Post Borrower Training Tally Card & MAC  
 \_\_\_\_\_ \_\_\_\_\_ Post Assessment Tally Card & MAC  
 \_\_\_\_\_ \_\_\_\_\_ Post Record Keeping Tally Card  
 \_\_\_\_\_ \_\_\_\_\_ Update civil rights database (State Office only)  
 \_\_\_\_\_ \_\_\_\_\_  
 \_\_\_\_\_ \_\_\_\_\_



# Low Documentation (Lo-Doc) OL Loan Processing Guide

NAME OF APPLICANT		TYPE OF OPERATION	
CASE NUMBER		REMAINGING YEARS OF ELGIBILITY	PRIORITY CONSIDERATION <input type="checkbox"/> <input checked="" type="checkbox"/> If YES
BEGINNING FARMER <input type="checkbox"/> Yes <input type="checkbox"/> No	SDA APPLICANT <input type="checkbox"/> SDA-Ethnic <input type="checkbox"/> SDA-Gender <input type="checkbox"/> No	ALSO INVOLVES <input type="checkbox"/> DALRS <input type="checkbox"/> Guarantee <input type="checkbox"/> Transfer <input type="checkbox"/> Subordination	
TOTAL LOANS REQUESTED \$ _____ OL    \$ _____ Subordination    \$ _____ FO    \$ _____ EM			
<b>LO-DOC TEST</b>			
Yes	No	The applicant must:	
<input type="checkbox"/>	<input type="radio"/>	Be applying for an OL loan.	
<input type="checkbox"/>	<input type="radio"/>	Be current on all payments to all creditors including FSA.	
<input type="checkbox"/>	<input type="radio"/>	Have not received primary loan servicing or disaster set-aside on FSA debt within the past five years.	
<input type="checkbox"/>	<input type="radio"/>	Meet one of the following: (check appropriate box) <input type="checkbox"/> The requested loan is \$50,000 or less and the total OL indebtedness at the time of closing will be less than \$100,000 or <input type="checkbox"/> The loan requested is used to pay annual operating expenses and the applicant is an existing FSA borrower who received and repaid on schedule at least 2 annual OLs.	
⇒ IF ANY ITEMS ABOVE ARE MARKED "NO", LOAN REQUEST CANNOT BE PROCESSED AS A LO-DOC LOAN ⇐			
<b>LOAN SUMMARY</b>			
LOAN TYPE	ASSISTANCE CODE	INITIAL OR SUBSEQUENT <input type="checkbox"/> <input type="checkbox"/>	LIMITED RESOURCE RATE <input type="checkbox"/> <input checked="" type="checkbox"/> If YES
LOAN AMOUNT	INTEREST RATE	TERMS IN YEARS	DISBURSEMENT BY: <input type="checkbox"/> EFT <input type="checkbox"/> Check
PAYMENT SCHEDULED FOR PROPOSED LOAN \$ _____ on _____    \$ _____ on _____ \$ _____ on _____    \$ _____ on _____ \$ _____ on _____    \$ _____ on _____ \$ _____ on _____    and \$ _____ Due _____ Thereafter			
APPROVAL AUTHORITY: FLO, CED, FLN, DD, SED (Circle One)		Unpaid Principal Balance: \$ _____ Amount of new Loan: \$ _____ Total: \$ _____	
LOAN(S) PURPOSES: _____			
TEST FOR OTHER CREDIT: REPAYMENT MARGIN _____ %    ADDRESSED IN (✓ BOXES): <input type="checkbox"/> ASSESSMENT <input type="checkbox"/> EXHIBIT A - 1951-F <input type="checkbox"/> FORM FSA 1940-38 (EM) <input type="checkbox"/> REJECTION LETTERS			
TYPE OF LIEN SEARCH TO BE DONE (i.e. UCC, EFS, ASL, County Records, Title Report, Business Registry Search, etc.): _____			
SEARCHES TO BE DONE ON THE FOLLOWING NAMES (include individuals, assumed business names, corporation, partnership, LLC, etc.) _____			

SECURITY CONSIDERATIONS					
SECURITY TO BE TAKEN	LIEN POSITION	PRIMARY SECURITY	ADDITIONAL SECURITY		
<input type="checkbox"/> Crops					
<input type="checkbox"/> Livestock					
<input type="checkbox"/> Equipment					
<input type="checkbox"/> Real Estate					
<input type="checkbox"/> Other:					
VALUE OF SECURITY					
TYPE OF SECURITY	APPRAISAL DATE	CLASSIFICATION ➤ LOAN VALUE ◀	PRIOR DEBT (INC. FSA'S)	PROPOSED FSA, OTHER DEBT	EQUITY
Chattels					
Real Estate					
Crops, Lvst On Hand					
Crops, Lvst Projected					
Chattels Acquired					
Other					
TOTAL					
<b>SECURITY IS ADEQUATE(?)</b> <input type="checkbox"/> YES <input type="checkbox"/> NO <b>LOAN TO VALUE CALCULATIONS:</b> $[\text{LOAN VALUE} \div (\text{TOTAL EXISTING DEBT} + \text{PROPOSED LOAN})] \times 100$ <div style="text-align: center;">150% RULE FOR D-OLs IS MET <input type="checkbox"/>      NOT MET <input type="checkbox"/></div>					
<b>UCC/EFS:</b> List Security that is to be excluded on UCC/EFS-1 or the Amendment from standard language: <hr/>					
<b>CROPS TO BE LISTED ON EFS:</b> _____ <b>COUNTIES TO BE LISTED ON EFS:</b> _____					
<input type="checkbox"/> <b>WRITTEN FARM ASSESSMENT ATTACHED INCLUDING:</b> 1. Type of operation, 2. Goals, 3. Real estate and facilities, 4. Chattel property, 5. Farm business organization & key personnel, 6. Historical performance & financial data (including record-keeping), 7. Projected budget, 8. Planned changes, 9. Ability to obtain guaranteed credit, and 10. Supervision and training.					
<input type="checkbox"/> <b>PROPOSED LOAN CLOSING REQUIREMENTS COMPLETED IN PART IV</b>					
RECOMMEND BY: _____ DATE: _____ APPROVAL OFFICIAL'S COMMENTS: _____ <hr/>					
<input type="checkbox"/> Approved <input type="checkbox"/> Rejected <input type="checkbox"/> Proposed closing requirements reviewed & completed in Part IV					
APPROVAL OFFICIAL'S SIGNATURE: _____ DATE: _____					



## FARM LOAN PROGRAMS - LO-DOC OL DIRECT LOANS

APPLICANT'S NAME: \_\_\_\_\_

**PART II ITEMS REQUIRED FROM APPLICANTS FOR A COMPLETE APPLICATION**

Date Received	By Whom	(Required for Lo-Doc OL Loan)
_____	_____	(1) Written request for priority consideration from prevailing claimant under Consent Decree. (Date received)
_____	_____	(2) Exhibit A to 1910-A, Letter requesting information needed for a complete Farm Loan Program application. (Date sent to applicant)
_____	_____	(3) Form FSA 410-1, "Request For Direct Loan Assistance."
_____	_____	(4) If the application is from an entity (corporation, cooperative, partnership, joint operation, LLC, or trust):
_____	_____	(A) Complete list of all entity members including all persons involved in the entity showing address and percentage of co-ownership or beneficial interest.
_____	_____	(B) A current personal financial statement from each person involved in the entity.
_____	_____	(C) Bylaws, Articles of Incorporation, Partnership Agreement, Joint Operating Agreement, Articles of Incorporation, Operating Agreement, Trust Agreement, or Certification of Trust.
_____	_____	(D) If a corporation, registered partnership, or LLC, "Certificate of Current Registration" (Goodstanding) with Secretary of State's Office or equivalent copy of an internet business registry search.
_____	_____	(E) A resolution adopted by the board of directors, members, or stockholders authorizing specific officers of the corporation, cooperative, partnership, joint operation, or LLC managers to apply for and obtain the desired loan, and execute the required debt, security and other instruments.
_____	_____	(5) Form AD 1026A, attached to either Form AD 1026 or AD 1026-U and completed by FSA. Required only if changes have occurred on prior year's AD 1026 and 1026-U.
_____	_____	(6) Form SCS-CPA-26, "Highly Erodible Land and Wetland Conservation Determination," completed by NRCS for HEL and wetlands referrals required by Form AD 1026A. Location of SCS-CPA026:_____ Borrower Case File:_____ Tract File:_____
_____	_____	(7) "Authorization to Release Information," Exhibit 1 to Oregon Notice FLP-47, unless on file.
_____	_____	(8) Provide a credit report fee of \$_____ payable to FSA. (Required for new applicants).
_____	_____	(9) Form SF 3881, "ACH Vendor/Miscellaneous Payment Enrollment Form," voided check or SF-1199A, "Direct Deposit Sign-up Form," if already on file for electronic funds transfer disbursements.

- \_\_\_\_\_ (10) Form CCC-10 or FSA 1941-1 OR for everyone executing the promissory note and for those having an ownership interest in the chattel security that have not signed Form FSA 410-1 with a revision date of 9-14-01 or later.

**ADDITIONAL ITEMS THAT MAY BE REQUIRED BY THE CREDIT OFFICIAL**

- \_\_\_\_\_ (11) \_\_\_\_\_
- \_\_\_\_\_ (12) \_\_\_\_\_
- \_\_\_\_\_ (13) \_\_\_\_\_
- \_\_\_\_\_ (14) \_\_\_\_\_

After receipt of **ALL** completed forms and information required of the applicant and the credit report is **received** from the credit bureau, the application will be considered **complete**. The FSA approval or disapproval must be given within 60 days of this date.

**PART III FSA ACTION AFTER RECEIPT OF FORM FSA 410-1**

- | Date<br>Received | By<br>Whom | (Required for Lo-Doc OL Loan)   |
|------------------|------------|---|
| _____            | _____      | (1) When Form FSA 410-1 is received, complete Item 28 A of Form FSA 410-1 and enter in MAC.   |
| _____            | _____      | (2) Review ADPS civil rights database for listing & entitlement when priority consideration requested. Place copy of screen in applicant's file, Position 3.  |
| _____            | _____      | (3) Check Item 21 of Form FSA 410-1 for identified relationship or association with FSA employees. For those identified sent Guide Letter 1900-D-2.   |
| _____            | _____      | (4) Review the FSA computer databases to determine any previous debt forgiveness, past FSA loan history, and credit worthiness. Place copies of screens in applicant's file, Position 3. (Required for new applicants). Include the following:<br>_____ Current/past debt inquiry system<br>_____ Borrowers cross-reference inquiry system<br>_____ Farm Programs claims report |
| _____            | _____      | (5) Cross-check FSA records to verify DCP, LDP, MILC, and other FSA payments.   |
| _____            | _____      | (6) CAIVRS report order for applicant(s) and all individual members of entities.  |
| _____            | _____      | (7) If all of the required application forms have NOT been received, send FmHA Guide Letter 1910-A-1 (20 day letter) to the applicant and request forms and information needed within 10 days after receipt of an application.  |
| _____            | _____      | (8) If the necessary information is not received from the applicant within 20 calendar days after the date of the first notification of an incomplete application, send FmHA Guide Letter 1910-A-2 (10 day letter) (copy to DD) requesting the needed information for a complete application.   |
| _____            | _____      | (9) Obtain unofficial lien search on applicant, assumed business names, etc.  |
| _____            | _____      | (10) Obtain unofficial business registry search on assumed business names, entities, etc.   |

- |       |       |      |  |
|-------|-------|------|--|
| _____ | _____ | (11) | Order credit report (required for new applicants or in conjunction with 1951-S servicing request).                   |
| _____ | _____ | (12) | Credit report received, if ordered.  |
| _____ | _____ | (13) | CAIVRS report received. Place report(s) in Position 3 of the case file.  |
| _____ | _____ | (14) | Input required information on the EFT database system for electronic disbursements unless waived by credit official. |
| _____ | _____ | (15) | 14-day PreNote Status check for EFT disbursements.   |

**ADDITIONAL ITEMS THAT MAY BE REQUIRED BY THE CREDIT OFFICIAL**

- |       |       |      |   |
|-------|-------|------|---|
| _____ | _____ | (16) | Mail Form FSA 440-32, "Verification of Debts and Assets," to other creditors. Form FSA 440-32 is not required to be sent to a creditor when FSA has verified the debt and collateral by telephone and the phone call is documented on Form FSA 440-32. Nor are they required when the applicant provides a copy of the latest monthly statement from the creditor and all necessary information is on that statement. |
|-------|-------|------|---|

(Optional Tracking)  
Creditor Name

Date Form FSA 440-32 Returned

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**PART IV FSA ACTIONS AFTER RECEIPT OF COMPLETED APPLICATION**

After receipt of **ALL** completed forms and information required of the applicant and if the credit report is received from the credit bureau, the application will be considered complete. FSA approval or disapproval must be given within 60 days of this date.

- |                  |            |  |
|------------------|------------|--|
| Date<br>Received | By<br>Whom | (Required for Lo-Doc OL Loan)  |
| _____            | _____      | (1) Document here the date of complete application, post this date in MAC, and complete Item 28 B of Form FSA 410-1. <u>This is the date the last required document is received</u> including the verification of all debts. |
|                  |            | DATE OF COMPLETE APPLICATION: _____  |
| _____            | _____      | (2) Notify the applicant that a complete application has been received by sending FmHA Guide Letter 1910-A-3.  |

- \_\_\_\_\_ (3) Credit official to complete eligibility certification and borrower training requirements on Form FSA 440-2, "Certification or Recommendation," within 30 days of a complete application.
- \_\_\_\_\_ (4) Within 5 days after the eligibility determination, notify the applicant of the eligibility determination and training requirements.
- \_\_\_\_\_ (5) Date of Last Field Visit (one must have been done within the last year): \_\_\_\_\_
- \_\_\_\_\_ (6) Cross-check FSA records to verify DCP, LDP, MILC, and other FSA payments.
- \_\_\_\_\_ (7) For chattel loans: If debts are to be refinanced or if an initial applicant or if existing appraisal exceeds 2 years, prepare Form FmHA 440-21, "Chattel Appraisal."
  - \_\_\_\_\_ Post WLS 4061 to MAC for contracted chattel appraisal.
  - \_\_\_\_\_ Post WLS 4060 to MAC for appraisal completed by FSA.
- \_\_\_\_\_ (8) Complete 5 year historical spreadsheet (Form FmHA-OR 1924-21, "Historical Income, Expenses, and Production," or equivalent). **Optional**
- \_\_\_\_\_ (9) For real estate secured loans with real estate as primary security, order a real estate appraisal.
- \_\_\_\_\_ (10) Real estate appraisal report received.
  - \_\_\_\_\_ Post WLS 5002 to MAC for contracted RE appraisal.
  - \_\_\_\_\_ Post WLS 4062 to MAC for appraisal completed by FSA.
- \_\_\_\_\_ (11) Review and revise Form FmHA 431-2, "Farm and Home Plan," as needed with Applicant. Be sure it is complete, automated, signed, dated and contains key management practices.
- \_\_\_\_\_ (12) Obtain signatures and funds for lien filings and official searches (State/County) if approval appears likely.
- \_\_\_\_\_ (13) Complete written analysis of the feasibility of the operation by use of attached farm assessment including yields and prices.
- \_\_\_\_\_ (14) Document the availability of other credit through the use of Exhibit A to FmHA Instruction 1951-F.
- \_\_\_\_\_ (15) Complete record-keeping checklist (Exhibit 1 to Oregon Notice FC-16).
- \_\_\_\_\_ (16) Complete Form FmHA 1962-1, "Agreement For the Use of Proceeds/Release of Chattel Security." The period covered by the 1962-1 must match the period of Form FmHA 431-2, "Farm and Home Plan," and must be in ink.
- \_\_\_\_\_ (17) Prepare Form FmHA 1940-22, "Environmental Checklist for Categorical Exclusions." Complete Form FmHA 1940-21, "Environmental Assessment for Class 1 Action," or a Class II Assessment, if appropriate.
- \_\_\_\_\_ (18) Complete Environmental Justice review as required by Notice EQ-110 by including an attachment to Form FmHA 1940-22, with the following statement if no adverse effect was found, "In completing the Environmental Justice compliance review for the proposed project, it was determined that there is no disproportionate high and adverse human health or environmental effects, including social and economic, of programs, policies, or activities on minority populations and low income populations including American Indian tribal populations."

- |       |       |      |  |
|-------|-------|------|--|
| _____ | _____ | (19) | Prepare FEMA Form 81-93, Standard Flood Hazard Determination, for loans where real estate is taken as security (may be attached to RE appraisal report.)   |
| _____ | _____ | (20) | Prepare and complete Form FSA 851, "Environmental Risk Survey Form," when real estate is taken as security. Post WLS 7000 to MAC.  |
| _____ | _____ | (21) | Notify applicant of approval by sending Form FmHA 1940-1, "Request for Obligation of Funds." If disapproved, prepare letter with appeal rights. List security requirements and loan purpose on the back of Form FmHA 1940-1.                                     |
| _____ | _____ | (22) | Review with the applicant the 14 items of understanding as required by FmHA Instruction 1910-A, Section 1910.8(c).   |
| _____ | _____ | (23) | Update Form FSA 410-1 (if necessary) to match the amount of the approved loan and obtain the applicant's initials.   |
| _____ | _____ | (24) | If loan is approved, send Exhibit C of 1910-A, "Farmer Program Borrower Responsibilities."   |
| _____ | _____ | (25) | If highly erodible lands and wetlands are present, send Guide Letter 1940-G-1 to applicant with Form FmHA 1940-1.  |
| _____ | _____ | (26) | If loan funds are not available within 15 days of loan approval, write a letter to the applicant explaining the situation, advising that the application will be held until the funds are available. This letter must be sent by certified mail, return receipt. |
| _____ | _____ | (27) | Complete Form FSA 1924-23, "Agreement To Complete Training," if form not previously completed or waiver granted  |
| _____ | _____ | (28) | Complete proforma classification and print summary page for case file.   |
| _____ | _____ | (29) | If loan is made to an existing borrower, include a recent copy of the 540 Report (redacting all other borrowers' information) reflecting no PLS or DSA for last 5 years.   |

**CLOSING REQUIREMENTS**

Date	Check if
<u>Obtained</u>	<u>Required</u>

- |       |     |  |
|-------|-----|--|
| _____ | ( ) | UCC-1 and EFS-1 (Secretary of State)   |
| _____ | ( ) | Financing Statement (fixtures) UCC-1 (County)  |
| _____ | ( ) | Financing Statement (fixtures) UCC-1 (Secretary of State)  |
| _____ | ( ) | UCC and EFS Lien Search (Secretary of State) required if a lien search is not currently in the file, or any time that crops are added.   |
| _____ | ( ) | Amend or Continue Financing Statement (Secretary of State)   |
| _____ | ( ) | Amend or Continue Financing Statement (County)   |
| _____ | ( ) | Crop Insurance/Assignment of Indemnity   |
| _____ | ( ) | Update EFT database for electronic funds transfer  |
| _____ | ( ) | Supervised Bank Account: Form RD 402-1, "Deposit Agreement," Signature Card, Blank Check Booklet, Deposit Slip and Check, RD FmHA 402-2, "Supervised Bank Account Sheet" (1902- A). Name of Bank _____ |
| _____ | ( ) | Obtain Title to Vehicles, Trailers Specify: _____  |
| _____ | ( ) | FSA Assignment Specify: _____DCP_____CRP_____MILC_____LDP_____Other; Post to MAC (WLS 4083)  |
| _____ | ( ) | Obtain Brand Card for File   |

## Oregon Notice FLP-137

### Exhibit 2

- ☐ Brand Certificate, Bill of Sale
- ☐ Machinery Bill of Sale
- ☐ Restructuring, Reamortization and Extension Agreement
- ☐ Preliminary Title Report
- ☐ Insurance: Fire and extended coverage ☐ Flood ☐ Chattels ☐ Other ☐
- ☐ Title Insurance (mortgagees policy)
- ☐ Form FmHA 426-2, "Property Insurance Mortgage Clause," or equivalent loss clause
- ☐ Form FSA 440-13, "Report of Lien Search" (County)
- ☐ Form FSA 440-4A, "Security Agreement"
- ☐ Form RD 440-15, "Security Agreement" (if no crops or livestock)
- ☐ Form FSA 441-5, "Subordination Agreement" if required from other lienholders to FSA
- ☐ Form FmHA 441-8, "Assignment of Proceeds from the Sale of Agricultural Products"
- ☐ Form FmHA 441-10, "Nondisturbance Agreement"
- ☐ Form FmHA 441-12, "Agreement for Disposition of Jointly Owned Property"
- ☐ Form FSA 441-18 "Consent to Payment of Proceeds from Sale of Agricultural Products"
- ☐ Form RD 441-25, "Dairy Assignment"

Who Assignment to: \_\_\_\_\_

Amount of Assignment: \$ \_\_\_\_\_

- ☐ Form FmHA 460-9, "Assumption Agreement – Same Terms Eligible Transferee"
- ☐ Form FmHA 1927-1 OR, "Real Estate Mortgage" (on all real property and fixtures)
- ☐ Form RD 1927-4, "Transmittal of Title Information"
- ☐ Form FSA-OR 1927-5, "Subordination Agreement in Favor of the Government"
- ☐ Form FSA-OR 1927-8, "Contract Modification"
- ☐ Form RD 1927-15, "Loan Closing Instructions/Loan Closing Statement"
- ☐ Form FSA 1940-17, "Promissory Note"
- ☐ Form FS 220-13, "Escrow Waiver of Term Grazing Privileges" (Forest Service permits)
- ☐ BLM Notice of Lienholders Interest (BLM permit)

### **OTHER FORMS THAT MAY BE REQUIRED**

- ☐ Form RD 440-9, "Supplementary Payment Agreement"
- ☐ Form FmHA 440-26, "Consent and Subordination Agreement"
- ☐ Form FSA 440-34, "Option to Purchase Real Property"
- ☐ Form FSA 440-35, "Acceptance of Option"
- ☐ Form FmHA 440-58, "Estimate of Settlement Costs"
- ☐ Form FSA 441-10, "Nondisturbance Agreement"
- ☐ Form FSA 441-13, "Division of Income and Nondisturbance Agreement"
- ☐ Form FSA 441-17, "Certification of Obligation to Landlord"
- ☐ Form FSA 441-18 "Consent to Payment of Proceeds from Sale of Agricultural Products"
- ☐ Form FmHA 443-16, "Assignment of Income from Real Estate Security"
- ☐ Form FmHA 443-17, "Agreement to Sell Nonessential Real Estate"
- ☐ Form RD 1940-20, "Request for Environmental Information"
- ☐ Form FmHA 1940-21, "Environmental Assessment for Class I Action"
- ☐ Form FSA 1940-38, "Request for Lender's Verification of Loan Application"
- ☐ Form FmHA 1940-51, "Crop-Share-Cash-Farm Lease"
- ☐ Form FmHA 1940-53, "Cash Farm Lease"
- ☐ Form FmHA 1940-55, "Livestock-Share Farm Lease"
- ☐ Form FSA 1940-56, "Annual Supplement to Farm Lease"
- ☐ Form FmHA 1940-59, "Settlement Statement"
- ☐ \_\_\_\_\_
- ☐ \_\_\_\_\_
- ☐ \_\_\_\_\_

**FOLLOW UP AFTER CLOSING**

Date By  
Completed Whom

_____	_____	Post to Applicant Card (Closed)
_____	_____	Post and update MAC workload scheduling including follow-ups for analysis, LR reviews, UCC/EFS continuations, field visits, etc.
_____	_____	Post to MAC from supervision section of the Farm Assessment, Tables C & K of Farm & Home Plan, and the Running Record
_____	_____	Post Installment Information to MAC & management system card
_____	_____	Follow up to obtain copies of termination statements
_____	_____	Follow up of Return of Vehicle Titles from DMV or Lienholders
_____	_____	Post MAC with 10 month follow up for new 1962-1 & management system card
_____	_____	Input 8M ADPS transaction (Limited Resource Review)
_____	_____	Complete Form FmHA 2006-20, "Classification of Loan" & input 8N ADPS transaction
_____	_____	Post Borrower Training Tally Card & MAC
_____	_____	Post Assessment Tally Card & MAC
_____	_____	Post Record Keeping Tally Card
_____	_____	Update civil rights database (State Office only)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____





## Subordination Processing Guide

NAME OF APPLICANT		TYPE OF OPERATION				
CASE NUMBER		ALSO INVOLVES <input type="checkbox"/> Direct Loan <input type="checkbox"/> Guarantee <input type="checkbox"/> DALRS <input type="checkbox"/> Transfer				
LENDER		SUBORDINATION AMOUNT			PROPOSED MATURITY DATE	
<b>APPROVAL SUMMARY</b>						
APPROVAL AUTHORITY: FLO, CED, FLM, DD, SED (Circle One) (Cannot exceed direct loan approval authority)		Existing Subordination Principal Balance: \$ _____ Amount of New Subordination: \$ _____ Total: \$ _____				
SUBORDINATION PURPOSES: _____						
<b>SECURITY CONSIDERATIONS</b>						
SECURITY TO BE SUBORDINATED	APPRAISAL DATE	SECURITY VALUE	PRIOR DEBTS	PROPOSED SUBORDINATION	FSA DEBT	EQUITY
<input type="checkbox"/> Crops						
<input type="checkbox"/> Livestock						
<input type="checkbox"/> Equipment						
<input type="checkbox"/> Real Estate						
<input type="checkbox"/> Other:						
TOTAL						
ARE THE AGENCY LOANS ADEQUATELY SECURED AFTER THE SUBORDINATION OR IS THE VALUE OF THE LOAN SECURITY INCREASED BY THE AMOUNT OF THE SUBORDINATION? <input type="checkbox"/> YES <input type="checkbox"/> NO						
<b>SUBORDINATION CONDITIONS</b>						
<input type="checkbox"/> <b>FOR SUBORDINATIONS OF CHATTEL SECURITY</b> Are the seven conditions required by FmHA Instruction 1962-A, Section 1962.30(b) met including limiting the amount subordinated of basic security, subordination limited to a specific amount with a specific maturity date, only one subordination issued at one time with the same security, no controlled substance conviction, meets HEL and wetland provisions, ability to repay the subordination (current FHP), and is the Agency adequately secured after the subordination or is the value of the loan security increased by the amount of the subordination. Discuss here: _____ _____ _____						
<input type="checkbox"/> <b>FOR SUBORDINATIONS OF REAL ESTATE SECURITY</b> Are the eleven conditions required by FmHA Instruction 1965-A, Section 1965.12(a) met including the purpose of the subordination for an authorized direct loan purpose or to refinance debt, Agency debt cannot be refinanced, documented ability to repay (current FHP), development meets Agency objectives, are funds controlled when used to develop or acquire land, Agency lien obtained if land purchased or exchanged, no controlled substance conviction, is the Agency adequately secured after the subordination or is the value of the loan security increased by the amount of the subordination, subordination limited to a specific amount with a specific maturity date, and only one subordination issued at one time with the same creditor on the same security. Discuss here: _____ _____ _____						
<input type="checkbox"/> WRITTEN FARM ASSESSMENT UPDATED						
RECOMMENDED BY:				DATE:		
APPROVAL OFFICIAL'S COMMENTS: _____						
<input type="checkbox"/> Approved <input type="checkbox"/> Rejected						
APPROVAL OFFICIAL'S SIGNATURE:					DATE:	

## FARM LOAN PROGRAMS - SUBORDINATIONS

APPLICANT'S NAME: \_\_\_\_\_

**PART II ITEMS REQUIRED FROM APPLICANTS FOR A COMPLETE APPLICATION**

Date Received	By Whom	(Required for Subordinations)
_____	_____	(1) Form FSA 410-1, "Request For Direct Loan Assistance." (Items 1, 22, 23, and 36 to be completed for subordination requests.)
_____	_____	(2) Form RD 465-1, "Application For Partial Release, Subordination, Or Consent." <b>For real estate only.</b>
_____	_____	(3) Letter from lender requesting the subordination with the specific amount, maturity date, and security to be subordinated identified.
_____	_____	(4) A projection of income, expenses, and debt repayment on Form FmHA 431-2, "Farm and Home Plan."
_____	_____	(5) Monthly cashflow statement for annual operating loans and others as needed.
_____	_____	(6) If the lender's financial statement or cash flow budget are being utilized, obtain the borrower's signatures on all forms.
_____	_____	(7) Form AD 1026A, attached to either Form AD 1026 or AD 1026-U and completed by FSA. Required only if changes have occurred on prior year's AD 1026 and 1026-U.
_____	_____	(8) Form SCS-CPA-26, "Highly Erodible Land and Wetland Conservation Determination," completed by NRCS for HEL and wetlands referrals required by Form AD 1026A.

**PART III FSA ACTION AFTER RECEIPT OF FORM FSA 410-1**

Date Received	By Whom	(Required for Subordination Requests)
_____	_____	(1) When Form FSA 410-1 is received, complete Item 28 Form FSA 410-1 and enter in MAC.
_____	_____	(2) Check Item 21 of Form FSA 410-1 for identified relationship or association with FSA employees. For those identified send Guide Letter 1900-D-2.
_____	_____	(3) If all of the required application forms <u>have NOT been received</u> , send a letter similar to FmHA Guide Letter 1910-A-1 (20 day letter) (copy to DD) to the applicant and request forms and information needed within 10 days after receipt of an application.

**PART IV FSA ACTIONS AFTER RECEIPT OF COMPLETED APPLICATION**

After receipt of **ALL** completed forms and information required of the applicant are received application will be considered complete. FSA approval or disapproval should be given within 60 days of this date.

Date Received	By Whom	(Required for Subordination Requests)
_____	_____	(1) Document here the date of complete application and post this date into MAC and complete Item 28 B of Form FSA 410-1. <u>This is the date the last required document is received.</u>  DATE OF COMPLETE APPLICATION: _____
_____	_____	(2) For Subordination of Chattel Security: If an existing appraisal exceeds 2 years or major changes have occurred, prepare Form FmHA 440-21, "Chattel Appraisal."
_____	_____	(3) For real estate subordinations, order a real estate appraisal or obtain one prepared for the lender if it complies with the requirements of the 1-FLP Handbook.
_____	_____	(4) Review and revise Form FmHA 431-2, "Farm and Home Plan," as needed with Applicant. Be sure it is complete, automated, signed, dated and contains key management practices and must be consistent with historical performance.
_____	_____	(5) Complete Form FmHA 1962-1, "Agreement For the Use of Proceeds/Release of Chattel Security." The period covered by the 1962-1 must match the period of Form FmHA 431-2, "Farm and Home Plan," and must be in ink. <b>For chattel loans only.</b>
_____	_____	(6) Real estate appraisal report received.
_____	_____	(7) Update the farm assessment regarding the subordination and compliance with the required subordination conditions.
_____	_____	(8) Include the suggested language immediately after numbered paragraph 3 on page 2 of Form FSA 460-2, "Subordination By The Government," (Rev. 03-19-03), "and in any event, is subject to a maximum limitation not to exceed \$_____."  EXAMPLE: principal sum of the subordination = \$100,000, 6 months interest accrual at 6% = \$3,000, foreclosure costs = \$5,000; maximum limitation = \$108,000. Added language: "and in any event, is subject to a total limitation not to exceed \$108,000."
_____	_____	(9) Previously issued Form FSA 460-2 (or Form RD 460-2), "Subordination By The Government," must be returned and marked paid in full.

**CLOSING REQUIREMENTS**

<u>Date</u> <u>Obtained</u>	<u>Check if</u> <u>Required</u>	
_____	<input type="checkbox"/>	Amend or Continue Financing Statement (Secretary of State)
_____	<input type="checkbox"/>	Amend or Continue Financing Statement (County)
_____	<input type="checkbox"/>	UCC and EFS Lien Search (Secretary of State) required if a lien search is not currently in the file, or any time that crops are added.
_____	<input type="checkbox"/>	Brand Certificate, Bill of Sale
_____	<input type="checkbox"/>	Machinery Bill of Sale
_____	<input type="checkbox"/>	Preliminary Title Report
_____	<input type="checkbox"/>	Title Insurance (mortgagees policy)
_____	<input type="checkbox"/>	Insurance: Fire and extended coverage <input type="checkbox"/> Flood <input type="checkbox"/> Chattels <input type="checkbox"/> Other <input type="checkbox"/>
_____	<input type="checkbox"/>	Form FmHA 426-2, "Property Insurance Mortgage Clause," or equivalent loss clause
_____	<input type="checkbox"/>	Form FSA 441-5, "Subordination Agreement" if required from other lienholders to FSA
_____	<input type="checkbox"/>	Form FmHA 441-10, "Nondisturbance Agreement"
_____	<input type="checkbox"/>	<b>Form RD 460-2, "Subordination By The Government"</b>
_____	<input type="checkbox"/>	Form FmHA 1927-1 OR, "Real Estate Mortgage" (on <u>all</u> real property and fixtures)
_____	<input type="checkbox"/>	Form RD 1927-4, "Transmittal of Title Information"
_____	<input type="checkbox"/>	Form RD 1927-5, "Affidavit Regarding Work of Improvement"
_____	<input type="checkbox"/>	Form FSA-OR 1927-5, "Subordination Agreement in Favor of the Government"
_____	<input type="checkbox"/>	Form RD 1927-15, "Loan Closing Instructions/Loan Closing Statement"
_____	<input type="checkbox"/>	Form RD 1924-2, "Description of Materials"
_____	<input type="checkbox"/>	Form FmHA 1924-3, "Service Building Specifications"
_____	<input type="checkbox"/>	Other:_____
_____	<input type="checkbox"/>	Other:_____
_____	<input type="checkbox"/>	Other:_____

**FOLLOW UP AFTER ISSUANCE OF THE SUBORDINATION**

_____	_____	Post to Management System Application Processing Card.
_____	_____	Post and update MAC including follow-ups date for return of issued subordinations.
_____	_____	_____
_____	_____	_____

**DIRECT OPERATING LOANS (D-OLs)  
Lifetime Loan Limitation Worksheet**

Eligibility is based on the years the direct (OLs) were closed. Multiple loans closed in the same calendar year are counted as one. Youth loans are not counted. All parties executing the promissory note for the proposed loan will be counted. Complete the chart below.

Year D-OL Closed																	
------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

IF...	THEN...
1. Applicant had D-OLs closed in 4 or more separate years prior to 4-4-96.	Eligible for 3 more years after 4-4-96. 3 years less $\frac{\text{# years used after 4-4-96}}{\text{# of years eligibility remaining}} = \frac{\text{# of years eligibility remaining}}{\text{# of years eligibility remaining}}$
2. Applicant had D-OLs closed in less than 4 separate years prior to 4-4-96.	Eligible for a total of 7 years 7 years less $\frac{\text{# years used}}{\text{# of years eligibility remaining}} = \frac{\text{# of years eligibility remaining}}{\text{# of years eligibility remaining}}$
3. D-OLs closed in more than 6 years prior to the calendar year that the requested D-OL will be closed.	Not eligible.

Ending date of direct OL term limits: \_\_\_\_\_

Date review completed: \_\_\_\_\_ Completed by: \_\_\_\_\_

Date updated review completed: \_\_\_\_\_ Completed by: \_\_\_\_\_

Consideration for granting a 1-time, 2-year extension of direct OL loan term limits:

Note: Direct OL loans made during the suspension timeframe of June 20, 2000, through December 31, 2002, count toward the terms limits. Please refer to Notice FLP-288 for further guidance.

The borrower must meet all the following conditions:

- ☐ Be unable to obtain credit elsewhere by applying for credit to 2 commercial lenders and unable to get credit with or without a guarantee.
- ☐ Complete (or have completed) borrower training within the first year of the direct OL term limit extension.
- ☐ Have a viable operation as defined in Section 1924.54 of FmHA Instruction 1924-B.

Extension ending date: \_\_\_\_\_ Date granted: \_\_\_\_\_ Completed by: \_\_\_\_\_



**DIRECT FARM OWNERSHIP LOANS (D-FOs)**  
**Lifetime Loan Limitation Worksheet**

Eligibility based on the years D-FO(s) outstanding. All parties executing the promissory note for the proposed loan will be counted. Indicate years D-FOs outstanding:

<p>_____ <b>1991</b></p> <p>_____ <b>1992</b></p> <p>_____ <b>1993</b></p> <p>_____ <b>1994</b></p> <p>_____ <b>1995</b></p> <p>_____ <b>1996 (Prior to 4/4/96)</b></p>	<p>_____ <b>1996 (On Or After 4/4/96)</b></p> <p>_____ <b>1997</b></p> <p>_____ <b>1998</b></p> <p>_____ <b>1999</b></p> <p>_____ <b>2000</b></p> <p>_____ <b>2001</b></p> <p>_____ <b>2002</b></p> <p>_____ <b>2003</b></p> <p>_____ <b>2004</b></p> <p>_____ <b>2005</b></p> <p>_____ <b>2006</b></p>
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IF...	THEN...
1. D-FO outstanding prior to 4/4/96 and D-FOs outstanding 5 or more years prior to 4/4/96.	Eligible for D-FO through 4/4/2001.
2. D-FO outstanding on 4/4/96 and D-FOs outstanding less than 5 years.	Eligible through 4/4/2006.
3. No outstanding D-FO loans prior to 4/4/96.	Eligibility limited to 10 years. 10 years less _____ = _____ <div style="display: flex; justify-content: space-around; width: 100%;"> <span># years used</span> <span># years remaining</span> </div>

Date review completed: \_\_\_\_\_

Completed By: \_\_\_\_\_

Date Update Completed: \_\_\_\_\_

Completed By: \_\_\_\_\_

Date Update Completed: \_\_\_\_\_

Completed By: \_\_\_\_\_





**ENVIRONMENTAL JUSTICE COMPLIANCE REVIEW  
ATTACHMENT TO FORM FmHA 1940-22**

In completing the Environmental Justice compliance review for the proposed project, it was determined that there is no disproportionate high and adverse human health or environmental effects, including social and economic, of programs, policies, or activities on minority populations and low income populations including American Indian tribal populations.

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Signature of Reviewer

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Date

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Printed Name and Title of Reviewer